

## Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 EA-11 ISO-00 L-03 SS-20 NSC-10 H-03

SSO-00 NSCE-00 USIE-00 INRE-00 STR-08 AGR-20 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

PA-04 PRS-01 /173 R

DRAFTED BY EB/FTD:MBSMITH:MLB

APPROVED BY ARA/LA: DSZABO

L/ARA: DGANTZ

ARA/ECP: WKNEPPER

EA/J: WPIEZ

ARA/CEN: SLIPPE

ARA/BC/B: JBINNS

ARA/CEN:DCLARE

ARA/CEN:JSULLIVAN

ARA/CEN:MCOTTON (INFO)

DESIRED DISTRIBUTION

L/ARA, ARA/ECP, EA/J, ARA/LA, ARA/BC/B, ARA,CEN

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O P 151829Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA CITY IMMEDIATE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA IMMEDIATE

INFO AMEMBASSY LA PAZ PRIORITY

AMEMBASSY TOKYO

AMEMBASSY MEXICO CITY

AMEMBASSY SAN JOSE PRIORITY

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EO: 11652, N/L

TAGS: ETRD, GT, ES, HO, NU  
SUBJECT: COTTON CONTRACTS

1. REUTERS AND JOURNAL OF COMMERCE RECENTLY CARRIED REPORTS THAT FIVE ARA COUNTRIES (GUATEMALA, EL SALVADOR, HONDURAS, NICARAGUA, AND BOLIVIA) HAVE THREATENED SUSPEND SHIPMENTS OF RAW COTTON TO JAPAN UNLESS CONTRACTS RENEGOTIATED TO ASSURE EXPORTERS SIXTY CENTS PER POUND PRICE. SHIPMENT EMBARGO REPORTEDLY SCHEDULED FOR OCTOBER 21. MOST CONTRACTS FOR SUCH COTTON HELD BY U.S. BROKERS.

2. FOR SAN SALVADOR, TEGUCIGALPA, AND MANAGUA. YOU ARE REQUESTED DISCREETLY DETERMINE IF HOST GOVERNMENTS OR PRODUCERS ASSOCIATION CONTEMPLATE SUCH ACTION, AND PROVIDE ESTIMATES OF POSSIBLE QUANTITIES COTTON INVOLVED.

3. FOR GUATEMALA. DEPARTMENT UNDERSTANDS US BROKERS QUIETLY NEGOTIATING WITH GUATEMALANS TO RESOLVE ISSUE. IT WOULD BE HELPFUL IF EMBASSY GUATEMALA COULD DISCREETLY DETERMINE STATUS OF THESE NEGOTIATIONS AND ESTIMATE GUATEMALANS INCLINATION TO WORK OUT EQUITABLE SETTLEMENT.

BECAUSE OF SIZE GUATEMALAN COTTON EXPORT CROP, WILLINGNESS OF GUATEMALANS AND BROKERS TO SETTLE THIS PROBLEM WOULD HAVE SIGNIFICANT IMPACT ON OTHER COUNTRIES INVOLVED (WITH POSSIBLE EXCEPTION BOLIVIA).

4. TELEGRAPHIC REPLIES FROM ADDRESSEE POSTS REQUESTED BY COB OCTOBER 17. KISSINGER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** collinp0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** collinp0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Nov-2001 by elyme>; APPROVED <22 FEB 2002 by collinp0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
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**TAGS:** ETRD, GT, ES, HO, NU  
**To:** GUATEMALA MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005